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2 The Honorable Richard A. Jones
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9 UNITED STATES DISTRICT COURT FOR THE
10 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

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12 UNITED STATES OF AMERICA,
13 Plaintiff,
14 v.
15 JOSEPH NILSEN,
16 Defendant.

NO. CR20-151RAJ

PLEA AGREEMENT

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19 The United States of America, by and through Nicholas W. Brown, United States
20 Attorney for the Western District of Washington, and the undersigned Assistant United
21 States Attorneys for said District, Defendant Joseph Nilsen and Defendant's attorney,
22 Justine Harris, enter into the following Agreement, pursuant to Federal Rule of Criminal
23 Procedure 11(c)(1)(B).

24 1. **Waiver of Indictment.** Defendant, having been advised of the right to be
25 charged by Indictment, agrees to waive that right and enter a plea of guilty to the
26 charge(s) brought by the United States Attorney in a Superseding Information.

27 2. **The Charges.** Defendant, having been advised of the right to have this
28 matter tried before a jury, agrees to waive that right and enters a plea of guilty to each of
the following charge(s) contained in the Information:

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2 a. Conspiracy to Commit Violations of the Travel Act, as charged in
3 Count 1, in violation of Title 18, United States Code, Section 371.

4 b. Conspiracy to Commit Wire Fraud, as charged in Count 2, in
5 violation of Title 18, United States Code, Section 1349.

6 c. Filing False Tax Return, as charged in Count 3, in violation of
7 Title 26, United States Code, Section 7206(1).

8 By entering pleas of guilty, Defendant hereby waives all objections to the form of
9 the charging document. Defendant further understands that before entering any guilty
10 plea, Defendant will be placed under oath. Any statement given by Defendant under oath
11 may be used by the United States in a prosecution for perjury or false statement.

12 Defendant further waives any objections to venue as to any charge.

13 3. **Elements of the Offenses.** The elements of the offenses to which
14 Defendant is pleading guilty are as follows:

15 a. The elements of Conspiracy, in violation of Title 18, United States
16 Code, Section 371, as charged in Count 1, are as follows:

- 17 • First, there was an agreement between two or more persons to commit at least
18 one crime as charged in the indictment; and
- 19 • Second, the defendant became a member of the conspiracy knowing of at least
20 one of its objects and intending to help accomplish it; and
- 21 • Third, one of the members of the conspiracy performed at least one overt act
22 for the purpose of carrying out the conspiracy.

23 (1) The elements of a Violation of the Travel Act, in violation of
24 Title 18, United States Code, Section 1952(a)(3), are as follows:

- 25 • First, the defendant traveled in interstate or foreign commerce or used
26 interstate or foreign wires with the intent to promote, manage, establish, or
27 carry on, or to facilitate the promotion, management, establishment, or carrying

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2 on of, Commercial Bribery, in violation of New York Penal Law § 180.03 or
3 California Penal Code § 641.3¹;

- 4 • Second, after doing so, the defendant performed or attempted to perform
5 Commercial Bribery;
6 • Third, the defendant did something that was a substantial step toward
7 committing the crime and that strongly corroborated the defendant's intent to
8 commit the crime.

9 b. The elements of Conspiracy to Commit Wire Fraud, as charged in
10 Count 2, are as follows:

- 11 • First, two or more persons, in some way or manner, agreed to try to accomplish
12 a common and unlawful plan to commit a fraud crime listed in Title 18 Chapter
13 63, as charged in the indictment, namely, Wire Fraud, in violation of Title 18,
14 United States Code, Section 1343; and
15 • Second, the defendant knew the unlawful purpose of the plan and willfully
16 joined in it.

21 ¹ New York Penal Law § 180.03 states in pertinent part:

22 A person is guilty of commercial bribing in the first degree when he confers, or offers or agrees to confer,
23 any benefit upon any employee, agent or fiduciary without the consent of the latter's employer or principal,
24 with intent to influence his conduct in relation to his employer's or principal's affairs, and when the value of
the benefit conferred or offered or agreed to be conferred exceeds one thousand dollars and causes
economic harm to the employer or principal in an amount exceeding two hundred fifty dollars.

25 California Penal Code § 641.3 states in pertinent part:

26 (a) Any employee who solicits, accepts, or agrees to accept money or any thing of value from a person
other than his or her employer, other than in trust for the employer, corruptly and without the knowledge or
consent of the employer, in return for using or agreeing to use his or her position for the benefit of that
other person, and any person who offers or gives an employee money or any thing of value under those
circumstances, is guilty of commercial bribery.

27 (b) This section does not apply where the amount of money or monetary worth of the thing of value is two
hundred fifty dollars (\$250) or less.

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2 || (1) The elements of Wire Fraud, in violation of Title 18, United
3 || States Code, Section 1343, are as follows:

- First, the defendant knowingly participated in a scheme or plan to defraud, or a scheme or plan for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, or omitted facts;
 - Second, the statements made or facts omitted as part of the scheme were material; that is, they had a natural tendency to influence, or were capable of influencing, a person to part with money or property;
 - Third, the defendant acted with the intent to defraud, that is, the intent to deceive and cheat; and
 - Fourth, the defendant used, or caused to be used, an interstate or foreign wire communication to carry out or attempt to carry out an essential part of the scheme.

5 c. The elements of Filing False Tax Return, as charged in Count 3, are
6 as follows:

- First, the defendant signed and filed a tax return for the year [2017] that he knew contained false and incorrect information as to a material matter;
 - Second, the return contained a written declaration that it was being signed subject to the penalties of perjury; and
 - Third, in filing the false tax return, the defendant acted willfully.

22 4. **The Penalties.** Defendant understands that the statutory penalties
23 applicable to the offense(s) to which Defendant is pleading guilty are as follows:

a. For the offense of Conspiracy (to Commit Violations of the Travel Act), as charged in Count 1: A maximum term of imprisonment of up to five (5) years, a fine of up to \$250,000, a period of supervision following release from prison of up to three (3) years, and a mandatory special assessment of \$100. If a probationary sentence is imposed, the probation period can be for up to five (5) years.

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2 b. For the offense of Conspiracy to Commit Wire Fraud, as charged in
3 Count 2: A maximum term of imprisonment of up to 20 years, a fine of up to \$250,000, a
4 period of supervision following release from prison of up to three (3) years, and a
5 mandatory special assessment of \$100. If a probationary sentence is imposed, the
6 probation period can be for up to five (5) years.

7 c. For the offense of Filing False Tax Return, as charged in Count 3: A
8 maximum term of imprisonment of up to three (3) years, a fine of up to \$100,000, a
9 period of supervision following release from prison of up to three (3) years, and a
10 mandatory special assessment of \$100. If a probationary sentence is imposed, the
11 probation period can be for up to five (5) years.

12 Defendant understands that supervised release is a period of time following
13 imprisonment during which Defendant will be subject to certain restrictive conditions and
14 requirements. Defendant further understands that, if supervised release is imposed and
15 Defendant violates one or more of the conditions or requirements, Defendant could be
16 returned to prison for all or part of the term of supervised release that was originally
17 imposed. This could result in Defendant serving a total term of imprisonment greater
18 than the statutory maximum stated above.

19 Defendant understands that as a part of any sentence, in addition to any term of
20 imprisonment and/or fine that is imposed, the Court may order Defendant to pay
21 restitution to any victim of the offense, as required by law.

22 Defendant further understands that the consequences of pleading guilty may
23 include the forfeiture of certain property, either as a part of the sentence imposed by the
24 Court, or as a result of civil judicial or administrative process.

25 Defendant agrees that any monetary penalty the Court imposes, including the
26 special assessment, fine, costs, or restitution, is due and payable immediately and further
27 agrees to submit a completed Financial Statement of Debtor form as requested by the
28 United States Attorney's Office.

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2 Defendant understands that, if pleading guilty to a felony drug offense, Defendant
 3 will become ineligible for certain food stamp and Social Security benefits as directed by
 4 Title 21, United States Code, Section 862a.

5 **5. Immigration Consequences.** Defendant recognizes that pleading guilty
 6 may have consequences with respect to Defendant's immigration status if Defendant is
 7 not a citizen of the United States. Under federal law, a broad range of crimes are grounds
 8 for removal, and some offenses make removal from the United States presumptively
 9 mandatory. Removal and other immigration consequences are the subject of a separate
 10 proceeding, and Defendant understands that no one, including Defendant's attorney and
 11 the Court, can predict with certainty the effect of a guilty plea on immigration status.
 12 Defendant nevertheless affirms that Defendant wants to plead guilty regardless of any
 13 immigration consequences that Defendant's guilty plea(s) may entail, even if the
 14 consequence is Defendant's mandatory removal from the United States.

15 **6. Rights Waived by Pleading Guilty.** Defendant understands that by
 16 pleading guilty, Defendant knowingly and voluntarily waives the following rights:

- 17 a. The right to plead not guilty and to persist in a plea of not guilty;
- 18 b. The right to a speedy and public trial before a jury of Defendant's
 peers;
- 20 c. The right to the effective assistance of counsel at trial, including, if
 21 Defendant could not afford an attorney, the right to have the Court appoint one for
 22 Defendant;
- 23 d. The right to be presumed innocent until guilt has been established
 24 beyond a reasonable doubt at trial;
- 25 e. The right to confront and cross-examine witnesses against Defendant
 at trial;
- 27 f. The right to compel or subpoena witnesses to appear on Defendant's
 28 behalf at trial;

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2 g. The right to testify or to remain silent at trial, at which trial such
3 silence could not be used against Defendant; and

4 h. The right to appeal a finding of guilt or any pretrial rulings.

5 **7. United States Sentencing Guidelines.** Defendant understands and
6 acknowledges that the Court must consider the sentencing range calculated under the
7 United States Sentencing Guidelines and possible departures under the Sentencing
8 Guidelines together with the other factors set forth in Title 18, United States Code,
9 Section 3553(a), including: (1) the nature and circumstances of the offense(s); (2) the
10 history and characteristics of Defendant; (3) the need for the sentence to reflect the
11 seriousness of the offense(s), to promote respect for the law, and to provide just
12 punishment for the offense(s); (4) the need for the sentence to afford adequate deterrence
13 to criminal conduct; (5) the need for the sentence to protect the public from further
14 crimes of Defendant; (6) the need to provide Defendant with educational and vocational
15 training, medical care, or other correctional treatment in the most effective manner;
16 (7) the kinds of sentences available; (8) the need to provide restitution to victims; and
17 (9) the need to avoid unwarranted sentence disparity among defendants involved in
18 similar conduct who have similar records. Accordingly, Defendant understands and
19 acknowledges that:

20 a. The Court will determine Defendant's Sentencing Guidelines range
21 at the time of sentencing;

22 b. After consideration of the Sentencing Guidelines and the factors in
23 18 U.S.C. § 3553(a), the Court may impose any sentence authorized by law, up to the
24 maximum term authorized by law;

25 c. The Court is not bound by any recommendation regarding the
26 sentence to be imposed, or by any calculation or estimation of the Sentencing Guidelines
27 range offered by the parties or the United States Probation Department, or by any
28 stipulations or agreements between the parties in this Plea Agreement; and

d. Defendant may not withdraw a guilty plea solely because of the sentence imposed by the Court.

8. **Ultimate Sentence.** Defendant acknowledges that no one has promised or guaranteed what sentence the Court will impose.

9. Statement of Facts. The parties agree on the following facts. Defendant admits Defendant is guilty of the charged offense(s):

Conspiracy Counts

For a period of time, beginning in 2016, continuing into 2020, Defendant Joseph Nilsen did knowingly and willfully combine, conspire, confederate, and agree with the co-defendants, and others, to commit, and did commit, offenses against the United States, including (1) using a facility in interstate and foreign commerce, with the intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, that is, Commercial Bribery, in violation of California Penal Code § 641.3 and New York Penal Law § 180.03; and (2) knowingly and willfully devising and executing a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, and in executing and attempting to execute this scheme and artifice, to knowingly cause to be transmitted in interstate and foreign commerce, by means of wire communication, certain signs, signals and sounds as further described below.

More specifically, using interstate and foreign wires, Defendant and his associates conferred bribery payments to employees of Amazon.com, Inc. and its subsidiaries (“Amazon”) in order to, among other things, obtain confidential property and information stored on Amazon’s internal networks, procure other benefits and competitive advantages for certain third-party merchants on the Amazon Marketplace, and at times inflict harm or sabotage certain seller accounts. Defendant did so with intent to influence the employees’ conduct in relation to the employer’s affairs and without Amazon’s knowledge or consent, causing economic harm to Amazon (in excess of two hundred and fifty dollars, as contemplated by New York Penal Law § 180.03). By way of example, Defendant engaged multiple Amazon employees, at time directly and at times through an intermediary, to pay cash bribes in exchange for their misuse of their employee privileges and network access to benefit external parties. These compromised Amazon insiders agreed to and did accept money and payments from Defendant and others, corruptly and without the knowledge or consent of the employer, in return for using and agreeing to use their position for the benefit of those other persons. Part of the improper benefit involved the misuse of restricted access and privileges of employment to provide third parties

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2 access to information from protected computers, all for purposes of commercial
 3 advantage and private financial gain.

4 Defendant and his associates engaged in such conduct for numerous third-party
 5 sellers on the Amazon Marketplace, as well as for the benefit of seller accounts he owned
 6 and operated with others. Through this scheme, Defendant intended to deceive and cheat
 7 and knowingly caused harm to Amazon, and to third-party sellers and consumers on the
 8 Amazon Marketplace, including by depriving Amazon of the exclusive use and
 9 confidentiality of its internal business information, interfering with Amazon's ability to
 10 monitor the safety and authenticity of goods sold on the Amazon Marketplace, and
 11 impairing the accuracy of information posted on the Amazon Marketplace. Through the
 12 use of bribes, unauthorized access to Amazon's internal business information, and
 13 materially false statements and representations, Defendant and his co-conspirators
 14 engaged in the following categories of conduct, among others:

15 • Stealing Amazon confidential business information: Defendant and
 16 others bribed Amazon insiders to access, copy and send them confidential information
 17 that the insiders misappropriated from Amazon's protected networks, including internal
 18 standard operating procedures (SOPs) and Wikis. The stolen files included, among other
 19 things, proprietary algorithms related to the Amazon Marketplace search engine,
 20 Amazon's product-review rankings, and the coveted "buy boxes" product listings; the
 21 criteria that Amazon considers when determining whether to suspend or reinstate
 22 accounts or product listings; Amazon's internal notes, or "annotations" (which others
 23 sometimes referred to as "fruit"), about merchant accounts and enforcement actions taken
 24 by Amazon; and, Amazon consumers' and employees' identities and contact information.
 25 Defendant and others derived substantial commercial benefits from the misappropriated
 26 information, including by sharing it within their professional networks and using it to
 27 benefit their clients.

28 • Reinstating suspended third-party seller accounts and products:
 29 Defendant and others bribed Amazon insiders to reinstate merchant accounts and product
 30 listings that Amazon had suspended for reported violations of the Marketplace's terms of
 31 use, including customer-safety concerns, counterfeiting complaints from intellectual-
 32 property holders, manipulation of product reviews, and other violations of Amazon's
 33 policies and codes of conduct. Defendant and others also prepared "plans of action"
 34 ("POAs") for third-party merchants, some of which contained materially false statements,
 35 which Amazon relied upon in making its reinstatement determinations. In some cases,
 36 Defendant further instructed third-party merchants when to file such POAs to coincide
 37 with when a complicit Amazon insider was working and could assign the fraudulent POA
 38 to him/herself for reinstatement.

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2 • Circumventing Amazon restrictions and limitations: Defendant and

3 others bribed Amazon insiders to circumvent, waive, and/or increase Amazon-imposed
 4 limitations and fees relating to the amount of inventory that a third-party merchant
 5 utilizing the fulfilled-by-Amazon (“FBA”) may store at Amazon’s various warehouses
 6 and fulfillment centers, including hazmat, oversized, and long-term inventory. Such
 7 unauthorized account modifications benefited third-party merchant by increasing sales
 8 volume and in turn prominence on the Amazon Marketplace.

9 • Accessing restricted product categories or brands: Defendant and

10 others bribed Amazon insiders to obtain supplier invoices provided by authorized sellers
 11 in restricted product categories, such as dietary supplements, or of restricted product
 12 brands. Defendant and others then would alter the invoices and forged invoices to falsely
 13 represent that other third-party merchants had acquired goods from verified wholesalers
 14 or manufacturers, when in actuality, they had not. Amazon relied on such fraudulent
 15 invoices to permit the third-party merchants to market and sell goods in restricted product
 16 categories or of restricted product brands.

17 • Manipulating customer reviews: Defendant and others bribed

18 Amazon insiders to provide customer purchase data for particular sellers, including those
 19 who may have submitted negative reviews. Defendant and others also operated
 20 numerous sham Amazon buyer accounts, using fake information, to purchase goods from
 21 certain targeted merchants and submit negative reviews and customer complaints, which
 22 were intended to deceive consumers, negatively affect the merchants’ sales and position
 23 on the Amazon Marketplace, and possibly compel suspensions or other enforcement
 24 actions by Amazon. Alternatively, these sham buyer accounts were used to purchase
 25 goods from certain favored merchants and submit positive reviews, which were intended
 26 to deceive consumers and Amazon and, based on the algorithms, enhanced the
 27 merchants’ position on the Amazon Marketplace.

28 • Surveilling and attacking third-party merchants and product listings:

29 At times, Defendant and others obtained internal Amazon information on competing
 30 third-party merchants and at times manufactured efforts to attack or sabotage certain
 31 sellers and product listings, in order to gain an unfair competitive advantage or to induce
 32 certain behavior. Amazon insiders shared competitive intelligence about the victim
 33 sellers’ businesses, products, and advertising strategies. Attacks included review
 34 manipulation, discussed above, and “takedowns” through which Defendant and others
 35 defaced targeted merchants’ product listings with replacement, and in some cases lewd
 36 and offensive, content and images, designed to drive away consumers and intimidate the
 37 victims.

Defendant initially was introduced to Amazon insiders through an intermediary and later directly communicated with and paid bribes to such employees both on his and his clients' behalf. Defendant and others worked directly with Amazon insiders based in India, including co-defendant Nishad Kunju and others, whom they also paid in various ways, including methods designed to conceal the source, purpose, and recipient of the funds. After being fired from Amazon, co-defendant Kunju helped Defendant and others recruit and manage additional Amazon insiders to participate in the scheme, in exchange for monetary payments. Defendant, who at all relevant times resided in New York, conveyed bribe payments to numerous recipients in foreign countries using several methods, including bank wires, bulk cash, and various online payment and money remittance services.

Defendant's conduct included use of interstate and foreign wires, including those affecting the Western District of Washington, to carry on and promote the scheme. Defendant further agrees that, for the purposes of sentencing, the total amount of bribes paid to Amazon employees by or through him exceeded \$100,000.

Tax Count

Defendant also actively evaded reporting income and properly paying taxes to the Internal Revenue Service (IRS). In various communications, Defendant and other members of the scheme discussed their intent and efforts to conceal income and avoid the payment of taxes. For example, for tax years 2018 and 2019, Defendant failed to file federal tax returns and pay taxes for himself or for his company, Digital Checkmate LLC, despite significant reportable taxable income, including monies earned from the conduct discussed above.

For the tax year 2017, on about September 17, 2018, Defendant willfully filed a false Form 1120S – U.S. Income Tax Return for an S Corporation for his company Digital Checkmate LLC. Under penalty of perjury, Defendant reported 2017 gross receipts (Form 1120s, Line 1) for Digital Checkmate LLC of \$96,963 while he knowingly had gross receipts of at least approximately \$226,882 – which will flow through to Defendant’s personal return Form 1040 U.S. Individual Income Tax Return. The reported gross receipts corresponded to the Form 1099-MISC Miscellaneous Income issued to Digital Checkmate by “Company A”, while receipts from at least four other entities or individuals were omitted. Defendant agrees, for the purposes of this plea and sentencing, that the impact of the gross receipts from the flow through to the personal return would cause an estimated additional tax due and owing of approximately \$44,178.

The parties agree that the Court may consider additional facts contained in the Presentence Report (subject to standard objections by the parties) and/or that may be

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2 presented by the United States or Defendant at the time of sentencing, and that the factual
 3 statement contained herein is not intended to limit the facts that the parties may present to
 4 the Court at the time of sentencing.

5 **10. Sentencing Factors.** The parties understand that the Court will determine
 6 the Sentencing Guidelines computation and the advisory sentencing range at the time of
 7 sentencing. The parties agree they are free to present arguments regarding the
 8 applicability of provisions of the United States Sentencing Guidelines. Defendant
 9 understands, however, that at the time of sentencing, the Court is free to reject these
 10 stipulated adjustments, and is further free to apply additional downward or upward
 11 adjustments in determining Defendant's Sentencing Guidelines range.

12 **11. Acceptance of Responsibility.** At sentencing, if the Court concludes
 13 Defendant qualifies for a downward adjustment acceptance for acceptance of
 14 responsibility pursuant to USSG § 3E1.1(a) and Defendant's offense level is 16 or
 15 greater, the United States will make the motion necessary to permit the Court to decrease
 16 the total offense level by three (3) levels pursuant to USSG §§ 3E1.1(a) and (b), because
 17 Defendant has assisted the United States by timely notifying the United States of
 18 Defendant's intention to plead guilty, thereby permitting the United States to avoid
 19 preparing for trial and permitting the Court to allocate its resources efficiently.

20 **12. Interdependence of Plea Agreements.** Defendant acknowledges that the
 21 United States has conditioned its willingness to enter into this Plea Agreement on the
 22 Court's acceptance of the guilty plea and Plea Agreement by Kristen Leccese, in No.
 23 CR20-151RAJ. As a result, if either Defendant or Defendant Leccese fails to enter into,
 24 and plead guilty pursuant to the terms of, the respective Plea Agreements, or if either
 25 Defendant or Defendant Leccese later seeks to withdraw the resulting guilty pleas, the
 26 United States may, at its election, withdraw from either or both Plea Agreements. If the
 27 United States chooses to withdraw from this Plea Agreement under these circumstances,
 28 Defendant understands that the United States will seek an Indictment against both parties
 for all crimes for which the United States has sufficient evidence.

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2 **13. Recommendation Regarding Imprisonment.** Pursuant to Federal Rule of
 3 Criminal Procedure 11(c)(1)(B), the United States agrees to recommend that the
 4 appropriate term of imprisonment to be imposed by the Court at the time of sentencing is
 5 a term no greater than the advisory Sentencing Guidelines range, as calculated by the
 6 Court at the times of sentencing

7 Defendant understands that this recommendation is not binding on the Court and
 8 the Court may reject the recommendations of the parties and may impose any term of
 9 imprisonment up to the statutory maximum penalty authorized by law. Defendant further
 10 understands that Defendant cannot withdraw a guilty plea simply because of the sentence
 11 imposed by the Court. Except as otherwise provided in this Plea Agreement, the parties
 12 are free to present arguments regarding any other aspect of sentencing.

13 **14. Restitution.** Defendant agrees that the Court may order Defendant to pay
 14 restitution to the victims of Defendant's crimes and, in exchange for the agreements by
 15 the United States contained in this plea agreement, Defendant agrees that, to the extent
 16 authorized by law, restitution in this case should not be limited to the offense(s) of
 17 conviction. Defendant is aware that the United States will present evidence supporting an
 18 order of restitution for all losses caused by all of Defendant's criminal conduct known to
 19 the United States at the time of Defendant's guilty plea(s) to include those losses
 20 resulting from crimes not charged or admitted by Defendant in the Statement of Facts. In
 21 exchange for the promises by the United States contained in this plea agreement,
 22 Defendant agrees that Defendant will be responsible for any order by the District Court
 23 requiring the payment of restitution for such losses.

24 a. The full amount of restitution shall be due and payable immediately
 25 on entry of judgment and shall be paid as quickly as possible. If the Court finds that the
 26 defendant is unable to make immediate restitution in full and sets a payment schedule as
 27 contemplated in 18 U.S.C. § 3664(f), Defendant agrees that the Court's schedule
 28 represents a minimum payment obligation and does not preclude the U.S. Attorney's
 Office from pursuing any other means by which to satisfy the defendant's full and

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2 immediately-enforceable financial obligation, including, but not limited to, by pursuing
3 assets that come to light only after the district court finds that the defendant is unable to
4 make immediate restitution.

5 b. Defendant agrees to disclose all assets in which Defendant has any
6 interest or over which Defendant exercises control, directly or indirectly, including those
7 held by a spouse, nominee, or third party. Defendant agrees to cooperate fully with the
8 United States' investigation identifying all property in which Defendant has an interest
9 and with the United States' lawful efforts to enforce prompt payment of the financial
10 obligations to be imposed in connection with this prosecution. Defendant's cooperation
11 obligations are: (1) before sentencing, and no more than 30 days after executing this Plea
12 Agreement, truthfully and completely executing a Financial Disclosure Statement
13 provided by the United States Attorney's Office and signed under penalty of perjury
14 regarding Defendant's and Defendant's spouse's financial circumstances and producing
15 supporting documentation, including tax returns, as requested; (2) providing updates
16 with any material changes in circumstances, as described in 18 U.S.C. § 3664(k), within
17 seven days of the event giving rise to the changed circumstances; (3) authorizing the
18 United States Attorney's Office to obtain Defendant's credit report before sentencing; (4)
19 providing waivers, consents or releases requested by the U.S. Attorney's Office to access
20 records to verify the financial information; (5) authorizing the U.S. Attorney's Office to
21 inspect and copy all financial documents and information held by the U.S. Probation
22 Office; (6) submitting to an interview or deposition regarding Defendant's Financial
23 Statement and supporting documents before sentencing (if requested by the United States
24 Attorney's Office), and fully and truthfully answering questions during such interview or
25 deposition; and (7) notifying the United States Attorney's Office before transferring any
26 interest in property owned directly or indirectly by Defendant, including any interest held
27 or owned in any other name, including all forms of business entities and trusts.

28 c. The parties acknowledge that voluntary payment of restitution prior
to the adjudication of guilt is a factor the Court considers in determining whether

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2 Defendant qualifies for acceptance of responsibility pursuant to USSG § 3E1.1(a). In
3 addition, in any event, the government will consider Defendant's cooperation regarding
4 restitution in making its sentencing recommendation.

5 **15. Forfeiture of Assets.** Defendant understands that the Court may order
6 forfeiture of certain assets as part of the sentence imposed in this case, to the extent
7 permitted by law. Defendant agrees to forfeit to the United States upon the entry of a
8 Preliminary Order of Forfeiture Defendant's right, title, and interest in any and all
9 property, real or personal, that was used or intended to be used to commit or to facilitate
10 the commission of Conspiracy to Commit Violations of the Travel Act, as charged in
11 Count 1, in violation of Title 18, United States Code, Section 371, as well as any
12 property, real or personal, constituting or derived from, any proceeds that such person
13 obtained, directly or indirectly, as a result of such violation. This property is subject to
14 forfeiture pursuant to and Title 18, United States Code, Section 981(a)(1)(C), by way of
15 Title 28, United States Code, Section 2461(c), and includes, but is not limited to a sum of
16 money in an amount to be determined at the time of sentencing, representing the proceeds
17 Defendant personally obtained, directly or indirectly, as a result of his commission of the
18 offense charged in Count 1 of the Information.

19 Defendant agrees to forfeit to the United States immediately Defendant's right,
20 title, and interest in any and all property which constitutes or is derived from proceeds
21 traceable to his violation of Conspiracy to Commit Wire Fraud, as charged in Count 2, in
22 violation of Title 18, United States Code, Section 1349. This property is subject to
23 forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), by way of Title
24 28, United States Code, Section 2461(c), and includes, but is not limited to a sum of
25 money in an amount to be determined at the time of sentencing, representing the proceeds
26 Defendant personally obtained, directly or indirectly, as a result of his commission of the
27 offense charged in Count 2 of the Information.

28 Defendant agrees to fully assist the United States in the forfeiture of the above-
described property and to take whatever steps are necessary to pass clear title to the

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2 United States, including but not limited to: surrendering title and executing any
3 documents necessary to effectuate such forfeiture; assisting in bringing any assets located
4 outside the United States within the jurisdiction of the United States; and taking whatever
5 steps are necessary to ensure that assets subject to forfeiture are not sold, disbursed,
6 wasted, hidden, or otherwise made unavailable for forfeiture. Defendant agrees not to
7 file a claim, or to assist any third party with filing a claim, to any of the above-described
8 property in any federal forfeiture proceeding, administrative or judicial, which may be or
9 has been initiated.

10 The United States reserves its right to proceed against any remaining assets not
11 identified in this Plea Agreement, including any property in which Defendant has any
12 interest or control, if said assets constitute or are derived from proceeds of, or were used
13 or intended to be used to facilitate, the offense set forth in Counts 1 or 2.

14 **16. Abandonment of Electronic Devices, Electronic Files, and Contraband.**

15 Defendant also agrees that, if any federal law enforcement agency seized any electronic
16 devices or illegal contraband that was in Defendant's direct or indirect control, Defendant
17 abandons any interest in such devices or contraband and consents to the federal
18 administrative disposition, official use, and/or destruction of such devices or contraband
19 (and/or the deletion of data stored on such devices), including but not limited to, the
20 devices identified in Attachment A to this Agreement, as well as any contraband or non-
21 contraband files contained on such devices.

22 **17. Tax Loss Amount.** The United States and Defendant stipulate and agree
23 that the correct amount of tax loss for purposes of sentencing is \$44,178, or thereabouts.
24 Defendant understands that this Plea Agreement does not preclude the Internal Revenue
25 Service from assessing and determining any additional civil tax, penalties, and/or interest
26 that may be owed by Defendant. In addition, Defendant understands that Defendant is
27 required to pay costs of prosecution.

28 **18. Non-Prosecution of Additional Offenses.** As part of this Plea Agreement,
the United States Attorney's Office for the Western District of Washington agrees not to

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2 | prosecute Defendant for any additional offenses known to it as of the time of this Plea
 3 | Agreement based upon evidence in its possession at this time, and that arise out of the
 4 | conduct giving rise to this investigation, and to move to dismiss remaining counts against
 5 | Defendant pending in this District at the time of sentencing. In this regard, Defendant
 6 | recognizes the United States has agreed not to prosecute all of the criminal charges the
 7 | evidence establishes were committed by Defendant solely because of the promises made
 8 | by Defendant in this Plea Agreement. Defendant agrees, however, that for purposes of
 9 | preparing the Presentence Report, the United States Attorney's Office will provide the
 10 | United States Probation Office with evidence of all conduct committed by Defendant.

11 | Defendant agrees that any charges to be dismissed before or at the time of
 12 | sentencing were substantially justified in light of the evidence available to the United
 13 | States, were not vexatious, frivolous or taken in bad faith, and do not provide Defendant
 14 | with a basis for any future claims under the "Hyde Amendment," Pub. L. No. 105-119
 15 | (1997).

16 | **19. Breach, Waiver, and Post-Plea Conduct.** Defendant agrees that, if
 17 | Defendant breaches this Plea Agreement, the United States may withdraw from this Plea
 18 | Agreement and Defendant may be prosecuted for all offenses for which the United States
 19 | has evidence. Defendant agrees not to oppose any steps taken by the United States to
 20 | nullify this Plea Agreement, including the filing of a motion to withdraw from the Plea
 21 | Agreement. Defendant also agrees that, if Defendant is in breach of this Plea Agreement,
 22 | Defendant has waived any objection to the re-institution of any charges that previously
 23 | were dismissed or any additional charges that had not been prosecuted.

24 | Defendant further understands that if, after the date of this Agreement, Defendant
 25 | should engage in illegal conduct, or conduct that violates any conditions of release or the
 26 | conditions of confinement (examples of which include, but are not limited to, obstruction
 27 | of justice, failure to appear for a court proceeding, criminal conduct while pending
 28 | sentencing, and false statements to law enforcement agents, the Pretrial Services Officer,
 | Probation Officer, or Court), the United States is free under this Plea Agreement to file

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2 additional charges against Defendant or to seek a sentence that takes such conduct into
3 consideration by requesting the Court to apply additional adjustments or enhancements in
4 its Sentencing Guidelines calculations in order to increase the applicable advisory
5 Guidelines range, and/or by seeking an upward departure or variance from the calculated
6 advisory Guidelines range. Under these circumstances, the United States is free to seek
7 such adjustments, enhancements, departures, and/or variances even if otherwise
8 precluded by the terms of the Plea Agreement.

9 **20. Waiver of Appellate Rights and Rights to Collateral Attacks.**

10 Defendant acknowledges that, by entering the guilty plea(s) required by this plea
11 agreement, Defendant waives all rights to appeal from Defendant's conviction, and any
12 pretrial rulings of the Court, and any rulings of the Court made prior to entry of the
13 judgment of conviction. Defendant further agrees that, provided the Court imposes a
14 custodial sentence that is within or below the Sentencing Guidelines range (or the
15 statutory mandatory minimum, if greater than the Guidelines range) as determined by the
16 Court at the time of sentencing, Defendant waives to the full extent of the law:

17 a. Any right conferred by Title 18, United States Code, Section 3742,
18 to challenge, on direct appeal, the sentence imposed by the Court, including any fine,
19 restitution order, probation or supervised release conditions, or forfeiture order (if
20 applicable); and

21 b. Any right to bring a collateral attack against the conviction and
22 sentence, including any restitution order imposed, except as it may relate to the
23 effectiveness of legal representation.

24 This waiver does not preclude Defendant from bringing an appropriate motion
25 pursuant to 28 U.S.C. § 2241, to address the conditions of Defendant's confinement or
26 the decisions of the Bureau of Prisons regarding the execution of Defendant's sentence.

27 If Defendant breaches this Plea Agreement at any time by appealing or collaterally
28 attacking (except as to effectiveness of legal representation) the conviction or sentence in
any way, the United States may prosecute Defendant for any counts, including those with

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2 mandatory minimum sentences, that were dismissed or not charged pursuant to this Plea
3 Agreement.

4 **21. Voluntariness of Plea.** Defendant agrees that Defendant has entered into
5 this Plea Agreement freely and voluntarily, and that no threats or promises were made to
6 induce Defendant to enter a plea of guilty other than the promises contained in this Plea
7 Agreement or set forth on the record at the change of plea hearing in this matter.

8 **22. Statute of Limitations.** In the event this Plea Agreement is not accepted
9 by the Court for any reason, or Defendant breaches any of the terms of this Plea
10 Agreement, the statute of limitations shall be deemed to have been tolled from the date of
11 the Plea Agreement to: (1) thirty (30) days following the date of non-acceptance of the
12 Plea Agreement by the Court; or (2) thirty (30) days following the date on which a breach
13 of the Plea Agreement by Defendant is discovered by the United States Attorney's
14 Office.

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2 **23. Completeness of Agreement.** The United States and Defendant
3 acknowledge that these terms constitute the entire Plea Agreement between the parties,
4 except as may be set forth on the record at the change of plea hearing in this matter. This
5 Agreement binds only the United States Attorney's Office for the Western District of
6 Washington. It does not bind any other United States Attorney's Office or any other
7 office or agency of the United States, or any state or local prosecutor.

8 Dated this 16th day of May, 2022.

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JOSEPH NILSEN
Defendant

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JUSTINE HARRIS, *pro hac vice*
Attorney for Defendant

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STEVEN MASADA
NICHOLAS MANHEIM
Assistant United States Attorneys

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2 **ATTACHMENT A**

- 3 1. One iPhone IMEI 359296062506713
4 2. One Silver Macbook Pro S/N C02C31LJMD6N
5 3. Five Portable Storage Devices
6 a. Western Digital My Passport Ultra (S/N WX11D79FHZ21)
7 b. Seagate Backup Plus Portable Drive (S/N NA96WZGB) 2TB
8 c. Samsung T5 Portable SSD (S/N S4B0NV0M603154F) 1TB
9 d. Samsung T5 Portable SSD (S/N S49WNV0M323063W) 500GB
10 e. SanDisk SD Card 1GB"
11 4. One Lenovo Yoga Laptop S/N MP1CLL78
12 5. One Asus Laptop
13 6. Apple iMac Grey/Blk S/N C02RF2GGGG77
14 7. Apple iMac Grey/Blk S/N C02BWAMKHX87
15 8. One Black Phone w/ Label 415-568-0297 w/ Blk Battery Tracphone
16 9. One Samsung USB 1286-3.0
17 10. One Black Phone Model 5041C IMEI 015163001094761 w/ Blk battery
18 11. Three Audio Recorders
19 a. Zoom H5 Handy Recorder
20 b. Sony ICD-PX333 Recorder
21 c. Osmo Pocker Recorder (S/N 0W7DG8G0131014)"
22 12. Samsung Cellphone IMEI 359265100045455
23 13. Two Samsung Portable Storage Devices
24 a. S/N S4B0NV0M302711X
25 b. S/N S4B0NV0K907395K"
26 14. Black iPhone w/ 2 Cameras and Black Rubber Case
27 15. Samsung Cellphone IMEI 352067105624319
28 16. Tracfone Cellphone IMEI 015293005169531
17. Space Grey Apple iPad with model A1876 and S/N DXZLBCAK7RG

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2 18. Samsung Cellphone HEX: 35293809476230
3 19. Black Samsung Portable SSD T5 with hand written label "can't touch this"
4 20. Black Staples 16GB Thumbdrive with White Section Visible
5 21. Black Sony Recorder with Numbers 1111434 on Back of Device
6 22. Black My Passport External Storage Device with S/N Not Visible
7 23. Black My Passport External Storage Device with S/N WXJ1AC805F7K
8 24. Blue External Storage Device with Partially Visible S/N WXE1A58K
9 25. Samsung Galaxy S10 in Clear Case
10 26. Apple iPhone in Light Green and Gold Case
11 27. Apple iPhone in Black Otterbox Case
12 28. One Silver Macbook Pro S/N C02SGJ12G8WP
13 29. Six (6) Portable Storage Devices
14 a. 1-Mophie Power Boost
15 b. 1-Lexar USB 3.0 Thumb Drive
16 c. 1-SanDisk Cruzer Glide 32GB USB Thumb Drive
17 d. 1-Verbatim 16GB USB Thumb Drive
18 e. 1-Samsung T5 Portable Solid State Drive (SSD) 500GB (S/N
19 S3UJNV0K417162R)
20 f. 1-Western Digital My Passport SSD 512GB (S/N 185011443301)"
21 30. One Sony Portable Recording Device
22 31. One iPhone 11 Pro Max w/ Pink Case
23 32. One iPhone XS Max w/ Floral Case
24 33. One Asus Q536F Notebook PC FCC ID: MSQP56002 w/ Charger
25 34. One Thinkpad Laptop S/N PF-16KFAX w/ Charger
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